



# Discussion of FY 2011 Recommended Budget

Mayor and Council  
May 25, 2010

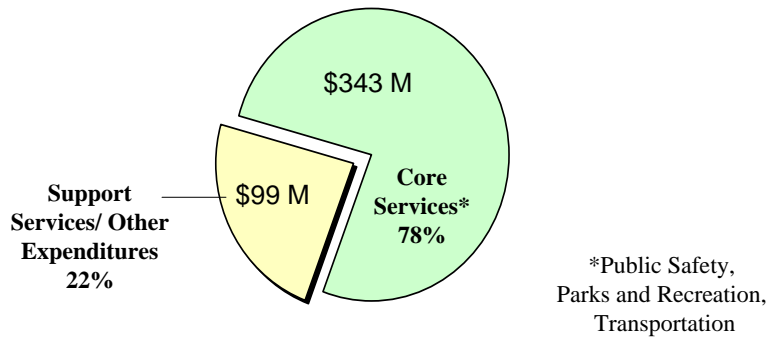
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## Topics

- Support Services/Other Expenditures  
(General Fund)
- Specific Line-Item Expenditure Reductions
- Enterprise Funds

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**Core and Support Services  
Fiscal Year 2011 General Fund \$442 Million**



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**Departments that Provide Support  
to Core Services Functions**

- City Manager
- City Attorney (administrative/civil)
- City Clerk
- Budget and Internal Audit
- Equal Opportunity Programs and Independent Police Review
- Finance
- General Services
- Human Resources
- Information Technology
- Procurement

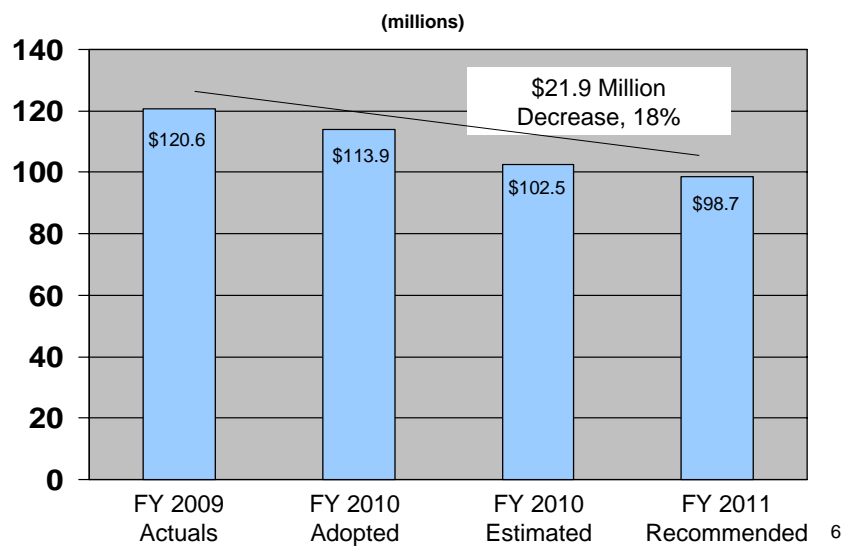
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## Other Services and Expenditures

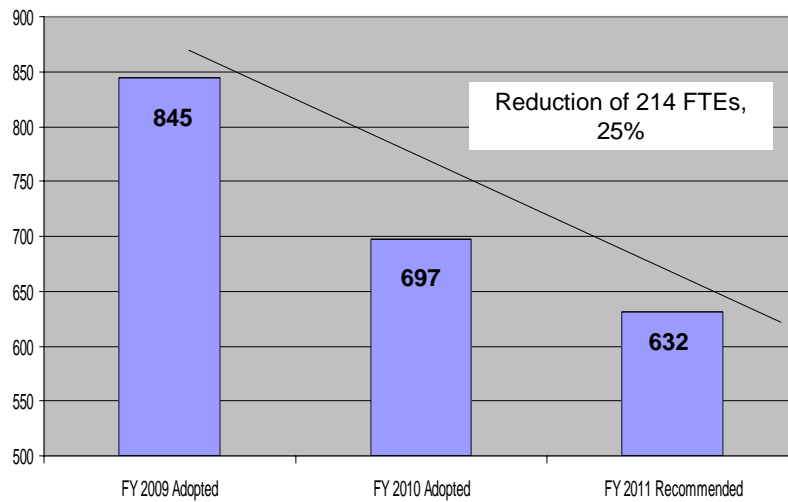
- Housing and Community Development
- Planning and Development Services
- General Expense
- Outside Agencies
- Debt Service and Refinancing
- Tucson Convention Center Operating Subsidy
- Mayor and Council

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## Support Services/Other Expenditures



### Support Services Staffing Levels

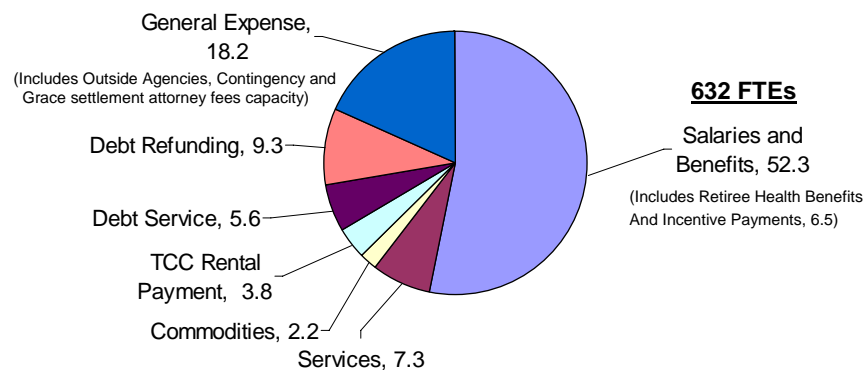


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### Support Services/Other Expenditures

**\$98.7 million**

NOTE: Over one-third (\$34 million) are fixed costs or capacity.

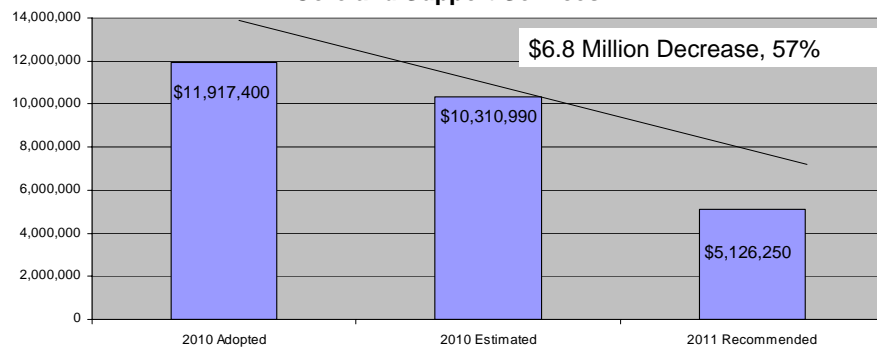


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## Specific Line-Item Expenditure Reductions

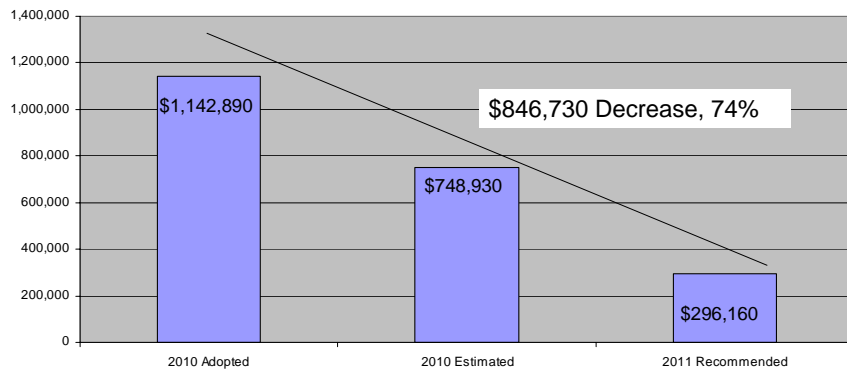
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### Miscellaneous Professional Services - General Fund Core and Support Services



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**Consultants and Surveys - General Fund  
Core and Support Services**



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- |                                    | <u>FY 2010</u> | <u>FY 2011</u> | <u>Decrease</u> |
|------------------------------------|----------------|----------------|-----------------|
| • Cell Phones/Aircards (all funds) | 1,287          | 1,086          | 16%             |

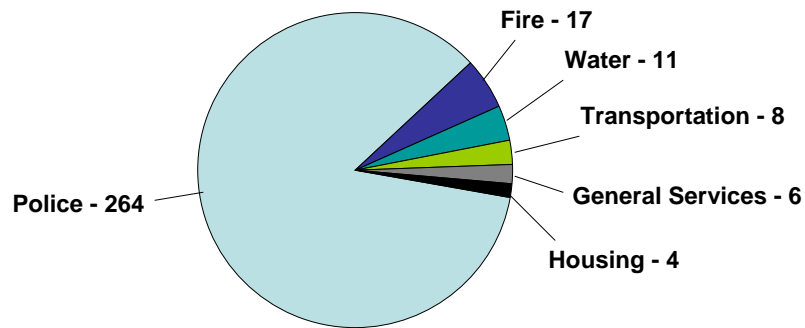
Note: In February 2010, departments were asked to identify all cell phones and aircards that a) could be immediately terminated, b) could be terminated, but not immediately and outlining a transition plan, and c) those for which a reasonable alternative did not exist and must be retained due to critical needs. 201 are being eliminated as a result. Water, Transportation, and Parks and Recreation account for 61% of those remaining.

- |                                | <u>FY 2008</u> | <u>FY 2011</u> | <u>Decrease</u> |
|--------------------------------|----------------|----------------|-----------------|
| • 24 Hour Vehicles (all funds) | 525            | 310            | 41%             |

Note: Police and Fire account for 91%.

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## Citywide 24-Hour Vehicles



Note: Assignment criteria and policies and procedures described in Administrative Directive 6.01-7; authorizations made on annual basis by City Manager's Office

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## Personnel Changes From Adopted FY 2008

	<u>FY 2011 FTEs*</u>	<u>% decrease</u>
Budget	14	22%
Finance	107	30%
General Services	324	5%
Procurement	44	31%

\*Full-time equivalent (FTEs)

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## Finance

- Certificates of Participation: \$3.5 million for technology improvements: upgrade of Payroll/Human Resources software/hardware and other components that support essential financial processes
- Increased sales tax audits have generated additional revenue in Rio Nuevo Multipurpose Facilities District
- Staff support for Rio Nuevo audit

## Human Resources

- Current staffing and funding is minimally sufficient to meet City Charter required programs and administer citywide benefit programs of \$58 million
- Development and training funds are 65% less than FY 2009. Only Tuition reimbursement is currently funded.

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## Information Technology

- All I.T. staff/costs transferred in from other departments starting FY 2010
- Reductions in hardware and software maintenance funds
- Staffing capacity to provide maintenance only; limited ability to take on new efforts
- Linking Tucson Unified School District into the City's fiberoptic network; 8 sites in FY 2011

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## General Services

- Stable maintenance and repair demand (fleet and facilities functions)
- Increasing response times due to reduced staff
- Leveraging renewable energy tax credits enabling CREBs projects; potentially reducing 25 year electric costs by over \$7m
- Liquid fuel costs currently below budget estimate
- No vehicle replacement program third consecutive year
- Utility costs continue trending upwards
- No dependable funding source for major facilities repairs
  - needs exceed \$50 million

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## Planning and Development Services

- Fee adjustments approved by Mayor and Council in January 2010
  - 10% increase in new fees and added specific new fees to increase cost recovery

## Housing and Community Development

- Reduced neighborhood and community support efforts due to staffing reductions
  - neighborhood association mailings
  - response to graffiti removal in washes
  - fewer historic preservation projects
  - increased code enforcement times

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## Enterprise Operations

- » Environmental Services
- » Tucson Water
- » Tucson City Golf

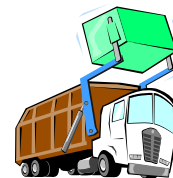
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## Environmental Services

241 positions (decrease of 22 since FY 2009)

- Using vacancies to absorb 8 FTEs from Fire for Household Hazardous Waste program

Operating	\$ 47.3 million
Capital	<u>1.8</u> million
Total	\$ 49.1 million



## Environmental Services

- Truck replacement plan - \$4.4 million
- Additional remediation professional services - \$1 million
- Absorbing low income program from General Fund – \$500,000-\$750,000
- Uncertainty regarding future fuel prices
- Proposed Changes to Existing Fees and Services;  
5/25 public hearing
  - Choice of container size
  - Automated Plastic Container fuel surcharge
  - Increase to commercial refuse and recycling rates
  - Groundwater protection fee
- Litter assessment fee; ES would pay \$100,000 annually

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556 positions:

Decrease of 24 FTEs since FY 2009

Operating	\$ 138.8 million
Capital	<u>70.6</u> million
Total	\$ 209.4 million



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## Tucson Water

- Absorbing low income assistance program from General Fund - \$500,000
- In Lieu of Property Tax - \$1.6 million
- Increase of CAP Water purchase - \$4.8 million
- Proposed rate adjustment of 9.7%
  - 5/25 public hearing

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145.25 positions:

Decrease of 9.5 FTEs since FY 2009

Operating \$ 7.8 million

Decrease of 13% from FY 2009 Actual



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## Tucson City Golf

- Greater competition in Southern Arizona for golfing dollars
  - Projected revenues based on 3 to 5% reduction in rounds being played
  - Resident play up; non-resident play down
- Promotion of seasonal pricing to enhance the amount of play
- Reduced labor and materials for course maintenance, concessions, and pro shops
- Decreased operating costs due to reduced levels of over seeding

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## Future Budget Meetings

- June 8    Tentative Adoption,  
            Truth in Taxation Public Hearing
- June 15   Public Hearing on Tentative Adoption/  
            Special Meeting to Adopt Budget
- June 22   Adoption of FY 2011 Property Tax Rates

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